Name _____ Date _____ Class _____

[1]

Determining how transactions change an accounting equation and preparing a balance sheet

Trans. No.	Assets					=	Liabilities	+	Owner's Equity
	Cash	+	Supplies	+	Prepaid Insurance	=	Limo Supply Company	+	Gregory Morgan, Capital
Beg. Bal.	0		0		0		0		0
1.	+2,000								+2,000 (investment)
New Bal.	2,000		0		0		0		2,000
2.	*−250*		*+250*						
New Bal.	*1,750*		*250*		*0*		*0*		*2,000*
3.			*+300*				*+300*		
New Bal.	*1,750*		*550*		*0*		*300*		*2,000*
4.	*−600*				*+600*				
New Bal.	*1,150*		*550*		*600*		*300*		*2,000*
5.	*−150*						*−150*		
New Bal.	*1,000*		*550*		*600*		*150*		*2,000*

[2]

Luxury Limo

Balance Sheet

February 5, 19--

Assets		*Liabilities*	
Cash	*10,000.00*	*Limo Supply Company*	*1,500.00*
Supplies	*5,500.00*	*Owner's Equity*	
Prepaid Insurance	*6,000.00*	*Gregory Morgan, Capital*	*20,000.00*
Total Assets	*21,500.00*	*Total Liab. and Owner's Eq.*	*21,500.00*